

**U.S. Department of Labor**

**JUL 20 2005**

Assistant Secretary for  
Employment and Training  
Washington, D.C. 20210



The Honorable Mike Huckabee  
Governor of Arkansas  
State Capitol  
Room 250  
Little Rock, Arkansas 72201

Dear Governor Huckabee:

It is with pleasure that I respond to the State of Arkansas' request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted four waiver requests. The requests are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Extension of the waiver to use Individual Training Accounts (ITAs) for youth participants.

The state indicates that an extension will allow continued flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. Accordingly, the state is granted an extension of the waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510, through June 30, 2007. The state should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver 2: Waiver to permit use of up to 10 percent of local area formula funds in the same manner as statewide funds.

The local formula funds referenced will support statewide activities targeted to adults, dislocated workers and youth. Accordingly, the State of Arkansas is granted a waiver of the language that limits the authority to provide the activities identified in WIA Sections 129(b) and 134 to the state. This waiver will permit local areas to request to use up to 10 percent of local area formula allocation funds for adults, dislocated workers and youth to provide statewide employment and training activities identified at WIA Sections 129(b) and 134, through June 30, 2007.

Requested Waiver 3: Waiver to increase the transfer authority of Local Workforce Investment Boards from the current 20 percent to 40 percent for Adult and Dislocated Worker funds.

The state is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 40 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

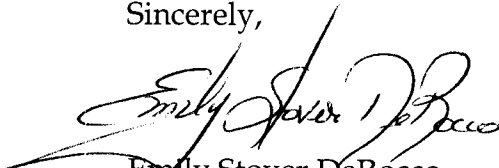
Requested Waiver 4: Waiver to permit re-enrollment of training providers under the period of initial eligibility at 20 CFR 663.530.

The state reports difficulties with the collection of training provider performance data, particularly the "all student" information. Without a waiver, the state indicates that the Eligible Provider Training List will be diminished, leaving little customer choice. The state is granted a waiver of the time limit on the period of initial eligibility for training providers at 20 CFR 663.530. Under the waiver, the state will be able to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

Your two requests for increased funding flexibility (waivers 2 and 3) are consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. We have noted that the state used the state planning process to pursue this additional flexibility. The Administration's proposal would give you that flexibility without having to request waivers from the federal government.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,



Emily Stover DeRocco

Enclosure